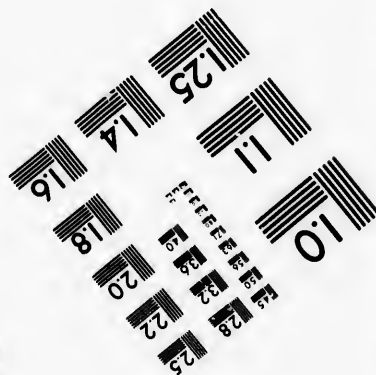
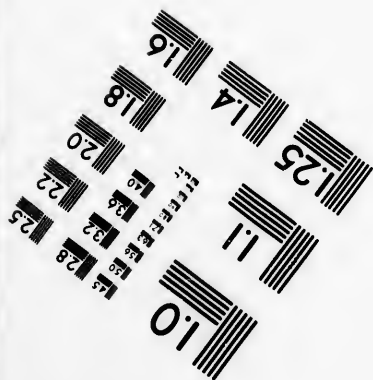
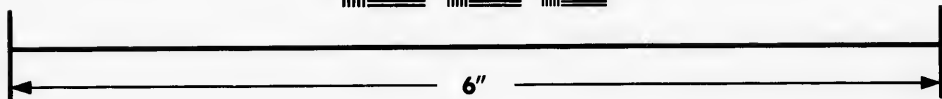
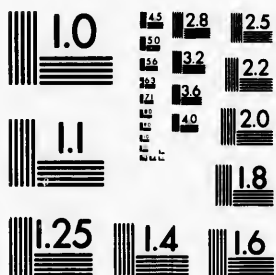


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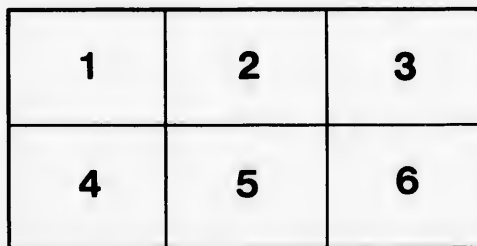
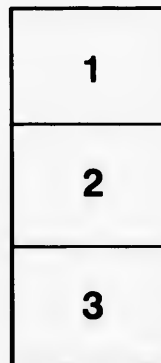
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A
LETTER
TO
W. Manning, Esq. M. P.
ON THE
CAUSES
OF THE RAPID AND PROGRESSIVE
DEPRECIATION
OF
WEST INDIA PROPERTY.

SECOND EDITION.

LONDON:

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L E T T E R,

&c. &c.

January 10, 1807

MY DEAR SIR,

AT the close of my former "Letter
" on the Proposition submitted to Government for
" taking the Duty on Muscovado Sugar *ad Valorem*,"
I expressed a decided opinion of the perilous state
of the British West India colonies. If, in conse-
quence of that opinion, I were desired to suggest a
remedy, combining the interest of the West India
planter with the most eligible mode of drawing a
revenue from the colonies, I should deem it necessary
to ask, as a preliminary question, whether, in suggest-
ing such measures, I am to consider the colonies as
constituting a part of the British empire, or as
foreign States in alliance with Great Britain?—
whether the planters are entitled to the privileges

•

and benefits of British subjects, or are to be considered as aliens trading to the British ports?

These questions admit of some difficulty in the solution, with reference to existing circumstances; and the answer would probably resolve itself into this—That the West India islands are *colonies*. Should I then, to come nearer the point, ask the Finance Minister on what principles colonists are to be taxed—whether as growers of produce on British soil, or as importers of merchandise from abroad; he would doubtless answer—*both*. I am sure, at least, that if he formed his opinion, as he probably would do, on the practice which he finds to have obtained, he could give no other answer. Yet the principles and policy of revenue by taxation on these two species of traffic, differ both in theory and practice; and their confusion and misapplication in West Indian concerns produce most part of the grievance of which the colonists now justly complain. It is necessary, to a right understanding of the subject, to ascertain what these principles are, and how they have been acted upon.

It were lost time to enquire whether the words *trade* and *commerce* be more or less just, than those of *trade* and *traffic*, which Johnson tells us “were formerly used to distinguish domestic from “foreign commerce;” whichever words we adopt, the distinction, in general acceptance, is probably no other than that commodities, the object of commerce, have crossed the sea, which the others have not.—Crossing the sea, is doubtless evidence, in a geographical sense, of foreign origin; but the dis-

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tion which I assume to exist in the principles of revenue by taxation, as applicable to trade and to commerce, is founded on different data. By trade, or domestic trade, I mean the first conversion into money of the grower's produce. By commerce, the purchase and resale with a view to profit, either in the same or another market, of that produce, whether in the same or a manufactured state. The one is an act of necessity, the other an act of choice. Whether the words *trade* and *commerce* are justly used in this sense, or not, is unimportant, so you receive them when they occur in the following pages, as the signs of this meaning. Trade, under this definition, has been always considered as an unfit subject of direct taxation. Commerce, on the contrary, has been justly taken as a prolific source of revenue to the State. I shall first shew why commerce is; which will the more readily lead to the conclusion, why trade is not, a proper object of such taxation.

Just principles of taxation lead to a repartition, amongst the subjects of any Government, of the amount of taxes necessary to its support and defence, in proportion to their respective means. When a tax is imposed on consumable commodities, this object is distinctly in view; but the facility of collection leads to the imposition of the tax on the commodities, *in transitu*, at the Custom-House, or in any situation whilst in the hands of the wholesale dealer, before they are divided into portions for individual use. But the dealer is not the person intended to be taxed; for though Dr. Adam Smith

informs us, that "duties of customs were, in the early part of our history, considered as a tax on the merchant's profits;" yet, as the wants of the State increased, these duties became, of course, greater than he could afford to pay, unless he increased his profits; or, in other words, unless he charged the tax to the consumer, by an increase on the price of his commodity.

This natural result of past taxation became in time the principle of the taxation which followed; and it has for many years been an admitted axiom in political economy, that taxes on commodities are paid by the consumer.

And this principle is just in all cases where the party in whose hands the goods are taxed, can regulate the supply according to the demand, and *in no other*.

In the case of foreign commodities imported, the importation, being strictly optional, and made with a view to profit, will not continue if the *necessary* and *unavoidable* expences are not reimbursed. The tax must therefore be paid either by the foreigner, in the diminution of his price, or by the consumer, by an advance on it. It can, in no case, be paid by the importer. Taxation on this principle would be limited within the bounds of the importer's profit; whereas on the principle of reimbursement by the consumer, it knows no bounds, except the disuse of the commodity, from excessive price. The tax on port wine is already double the value of the wine before entry; but if a further tax were in contemplation, the only question would be, will it lessen the consumption of

port wine?—The merchant has the power of limiting the supply to the demand, and his interest is only affected by the stock on hand. But recollect, it is only because he has this power, that the tax falls upon the consumer. On this principle, taxes are levied by excise, or otherwise, on various manufactures, on barley when malted, on breweries, on distilleries, on candles, on salt, on soap, &c., in all which cases, the tax is repaid by the consumer, because the manufacturer limits the supply to the demand; or abandons his calling, if others work cheaper than himself. All such engagements I call commerce, under the definition of purchase with a view to profit by resale; and commerce, therefore, I consider as a just means of revenue by taxation.

Trade, I have defined to be the first conversion into money of the grower's produce. This does not furnish just means of taxation; because the grower has not, generally speaking, the power of limiting the supply to the demand, at least not with sufficient expedition, to avoid the losses which an overstocked market would throw upon him. The produce of the soil is so indefinite and variable, that it is impossible to ensure to the grower the command of the market, without risking a short supply. If a tax of 20s. per quarter was laid on wheat, to be paid at the time of sale, it is evident that in a short crop, the farmer would be repaid, but it is equally clear that in a large crop, the tax would fall upon himself, as the price would then be, as it now is, regulated by the consumer. The buyer calculates not the seller's

cost; their respective necessities govern the price: and if the farmer has not, as he obviously has not, the power of regulating the supply, his lamentations on the rate of duty would operate no more on the feelings of the miller, the brewer, and the distiller, than the sufferings of the consumer do now on the nerves of the farmer. The principle of taxation on commerce, as before explained, has been sufficiently recognised by the imposition of taxes amounting to 20 millions per annum, through the medium of customs and excise, on the merchant or manufacturer, with the professed object of reimbursement by the consumer. A different principle respecting trade, is both negatively and positively recognised by the revenue laws of Great Britain. There is no instance of direct taxation on any of the great articles of inland produce, on wheat, or barley, or rye, or oats, or hay, or potatoes.

It will not be supposed that the exemption of these articles from taxation, arises from their being articles of first necessity: they are no more so, many of them not so much so, as salt, candles, or soap — barley in the raw state, certainly not more so than barley malted, on which the duty is equal to the average value: and their being articles of first necessity, would render them the fittest objects of taxation. — But raw produce is not taxed, because it is impossible to give the grower that command of the market which is necessary to ensure his reimbursement, without risking a scarcity of the articles of first necessity. Cyder might be considered as an exception, in which the principle is abandoned; but cyder,

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like malt, is a manufacture : and though the greater or less produce of apples and barley cannot be regulated from year to year, to suit the demand for cyder or beer, the supply of cyder and malt will, and does, regulate itself to the demand, and the tax is actually paid by the consumer. Though the growth of apples and barley be trade therefore, the manufacture of cyder and malt is, on my principle, commerce. The duty on hops seems really to form an exception ; and if my principle be correct, the duty must, in a plentiful crop, and I suppose does, fall on the grower.

The distinction I have assumed, is sufficiently recognised by the revenue laws, when we thus find the whole raw produce of the soil of Great Britain exempt from direct taxation : but this is negative recognition. The principle is positively admitted in the duty payable to the excise on sales by auction. My house, my furniture, my horses and carriages, my ships, and their tackle—that which I have bought, and sell again, pays a duty of 1s. in the pound ; but the *grower* pays no such tax : the produce of his farm is exempt, doubtless on the principle that, as the sale duty is not an *invariable* and *necessary* charge, it would fall on the grower, and not on the consumer.—Foreign produce pays the tax, but the produce of the British colonies is exempt for twelve months, if *in the hands of the importer*.

On what principle, then, is trade, and the produce of Great Britain, made to contribute to the exigencies of the State ?—On the principle of profit.

The direct taxes on land are few ; but where they

occur, they are, like the poor's rates and parochial assessments, levied in proportion to the rent—that is, on the annual value of the thing rated. (The land-tax is, I know, an anomaly; and, from the peculiarity of its origin, to which I adverted in my former letter, cannot be comprehended in any general reasoning.) This principle of rating and taxing income in Great Britain, has led to the adoption of personal taxes—those called Assessed Taxes, and the Tax on Income, Profits &c., which all have for their basis, the real or supposed ability of the party to bear them. Whether his expences, or his income, be taken as the standard, the principle is the same, the one being considered as evidence of the other; but no instance occurs to me, in which the English landholder is taxed on his gross, without reference to his net profits, except in the case of tithes, which do not derive their origin from any theory of political economy.

There are therefore two distinct principles of taxation: one, where the party charged, is to be reimbursed; and the other, where it is intended he should be the contributor. In the former case, the amount of the tax is comparatively indifferent to the party paying; in the latter, his happiness and existence depend on the equity of the assessment.

These preliminary observations on general principles have appeared to me essential to the right understanding of the subject before us. The distinction I assume between trade and commerce, as objects of taxation, is now obvious (whatever be the propriety of the terms); and the question therefore recurs, under which of these is the intercourse

between Great Britain and her colonies to be classed ?
 —This intercourse, or traffic, consists of two distinct parts—the importation of West India produce, and the exportation of British merchandize.

The importation of West India produce is first to be considered ; and two points suggest themselves for consideration :—

The principle adopted in taxing the produce ;

And the justice of the application of the principle to the case.

The great and leading feature of West India taxation, is the duty collected at the Custom House of 27s. per Cwt. on sugar, being, *communibus annis*, twice the net value of the sugar to the grower. That this tax is imposed on the principle of commerce, and to be repaid by the consumer, is sufficiently obvious from its amount ; the repeated declarations of Ministers on every increase of duty, may be considered as more satisfactory evidence. But all doubt is obviated, when it is recollected that the duty of 27s. attaches only to sugar used at home ; when the commodity is sent abroad, no duty is retained. If the duty was intended to fall on the seller, it would equally be demanded, whether his sugar be consumed by an Englishman or a foreigner ? Not being intended to fall on the seller, it must therefore be intended to fall on the buyer (or consumer), the only two parties concerned in the transaction. Let it be admitted, then, that the importation of sugar is taken as commerce, and the duty of 27s. per Cwt. levied on the principle, that “ taxes on commodities are paid by

the consumer ;" and we will proceed to consider the justice of the application of the principle to the case. The axiom, " that taxes on commodities are paid by the consumer," I have admitted to be true in all cases *where the party in whose hands the goods are taxed, can regulate the supply according to the demand.* If the West India planter has the means of doing this, he has no just ground of complaint. If he has not this power, the principle is adopted in a case to which it does not apply.

We have seen that in foreign commerce, undertaken with a view to profit, the equilibrium between demand and supply regulates itself. The market price of the commodity is established on the cost and expences which the importers *necessarily and equally* incur ; to which is added a reasonable compensation for time, labour, and interest of money. If, from any cause, improvident speculation, or unforeseen occurrences, the price falls below this standard, importation ceases, until the demand becoming greater than the supply, the importer makes his own terms, and renews his enterprises. And the same reasoning will be found to apply, with some modifications, to the produce of land at home ; if the price of grain be inadequate, for any length of time, to the expences of cultivation, more land will be laid down in grass, and *vice versa*. A variety of changes offers in the cultivation of land in England ; and if an extreme case be supposed, the most unproductive farms would successively be thrown up, until the supply being brought down to the demand, more adequate prices

became current: other considerations, however, would here intervene—the price of labour would fall, if provisions became cheap. But it is needless to pursue this subject, because, as the first produce of the British soil is exempt from taxation, no responsibility attaches upon Government in respect of the market, and the cases are not analogous. It is obvious that the reasoning applicable to the preceding cases, does not apply to the sugar colonies, *because no means exist of proportioning the supply to the demand.*—This can only be done when the supply is too great, either by changing the cultivation, lessening the produce of existing estates, or sending it to markets where it would meet a demand.

No opportunity is, however, offered of changing the produce of the soil in the West Indies—

1st. Because there is no tropical produce, the consumption of which in England would justify the application to its cultivation of so much land as would, in any sensible degree, diminish the quantity of sugar.

2d. Because the permanency of operation, and the expence of machinery incident to the cultivation of sugar, preclude the idea of varying the cultivation according to the demand of the market at home.

Lastly—Because the uncertainty of West India crops is so great, that no calculation of one year's produce can be founded on that of the year which preceded it.

Again—Estates cannot in the West Indies be partially abandoned, or left unwrought, to be

recultivated in better times. West India estates, unlike those in Europe, or in England at least, are cultivated by persons attached to the soil, procured at a great charge, and who must be fed, lodged, and clothed at the expence of the property, whether employed, or not; the estate must also bear its proportion of island taxes on the number of its negroes and acres, and keep in repair extensive works. Much of this expence is incurred in Europe and America, for which there are no means of payment but the produce; to defray this, therefore, the estates must be worked, and the less the produce sells for in Europe, the greater the necessity of producing more, since the expences are not regulated by the same standard: they would, in fact, be materially increased by a dereliction of cultivation, as the rum (which is usually set against the expences, and is not taken into calculation as part of the produce) would be diminished in the same proportion as the sugar. The last resource, another market, is equally unavailable. The mother-country monopolizes the produce of the colonies; and, though herself overstocked, prohibits the diversion of a single hogshead of sugar, and insists on her rights, under circumstances of such hardship and oppression, as induce me to consider her conduct in this respect as a distinct and intolerable grievance. But were the right more mildly exercised, the monopoly is inconsistent with choice and free-will in the grower; and it has been shewn that it is essential to the power of the seller to throw the tax on the consumer, that

the importation should be voluntary and untroubled.

It is clear, therefore, that the West India planters have not, individually or collectively, the means of proportioning the supply to the demand. The taxation on their produce proceeds, however, it has been shewn, on the principle of their possessing them. The destruction of St. Domingo, the interruption of communication between France and her colonies, and the consequent high price of sugar in Europe during part of the last war, together with short crops in the English colonies, confirmed the error, or prevented its detection.

The illusion is however dispelled; and it is indisputable that, in the rapid increase of duties on West India sugar, Government has acted on a principle true in itself, but inapplicable to the case. The consequences of such an error, where the tax amounts to more than the value of the sugar to the proprietor, will be readily anticipated; but that I may not impute to it more mischief than it has occasioned, I shall, before I state the situation to which the planter is reduced, advert to certain contradictions in the system of West India taxation, which may possibly have contributed their share to the destruction of his property. Hitherto we have seen the importation of West India produce considered as commerce: in his exports, the planter is equally considered as a foreign trader. If he export lead, he pays the duty; if German linens, he receives the drawback, though the consumer at home does neither; which being an old regulation, would

confirm the opinion, if any confirmation were wanting, that the principles of commerce were originally considered as applicable to this traffic. So far all was consistent in theory, however erroneous in application : but a few years ago this consistency was broken in upon, and a new principle was introduced.

Though Great Britain monopolized the importation of the produce of the colonies, still, consistently with the principle of commerce, the produce when here, was allowed to find its own level in the market. The high price which for some time obtained, raised a popular cry. Sugar was deemed an article of first necessity, and a right of pre-emption claimed on behalf of the people of Great Britain, similar to that which has been assumed in respect of corn. To enforce this right, the principle of the Corn Laws was *partially* applied to sugar ; the exportation was prohibited when the price exceeded a certain standard, and, at lower prices, it was checked by the imposition of certain duties ; and these regulations are still in force. When this Act passed, a death-blow was given to the commercial system, hitherto applied to the produce of the colonies. A right was assumed on the part of the Legislature, to interfere with the profits of the planter ; and those profits were thenceforward assumed as justly subject to controul, and have been subsequently taken as the basis of taxation. As the several temporary Acts regulating the exportation of sugar, expired, the application for renewal became an anxious object with the planter and merchant, and the determination of the maxi-

num of price, a contest with the Minister—a sufficient proof that their interests were involved in it; and in the last year, when it was found expedient to abandon the increased tax on sugar, on the representation of the planters, *that they were unable to bear* the addition, the direct tax of 3s. per Cwt. was withdrawn, and its operation made conditional on the market price of sugar. When the average price of sugar shall be

51s. without the duty of 27s. an additional duty of 1s. to take place.	
52s. "	2s. "
53s. "	3s. "

It is evident that the Minister could not have in his contemplation a repayment by the consumer of a tax levied on these principles, in any state of the markets; and it is clearly therefore to be considered as a tax on the vendor. And here, though interfering with my general object, I cannot forbear to notice an erroneous assumption in the principle, as well of the Act, restricting the exportation of sugar, as of the Minister's concession to the planters in the last year. It seems to be assumed in both instances, that the price of sugar is a criterion of the profits of the grower—that at a price fixed by the Acts, he is sufficiently paid, to justify checking his market; and, in the second instance, that when the average price of sugar is above 50s. the grower can afford to pay more duty than when it is below that amount: but, singular as it may appear, no endeavour was used to ascertain these facts, and in truth they are

unascertainable. Admitting that, on a full crop, the price of 50s. repays the planter, it is obvious that, on a half crop, the same price would be inadequate to his reimbursement. Nay, the price may be established on unusual and excessive expences, for freight, or insurance, as in the case of superiority of the enemy's squadrons in the West Indian seas. But whether this be a just criterion, or not, it will not be denied that, as such it has been assumed, and that it is virtually admitted that the planter has been taxed until the increase of 1s. per Cwt. on his sugar cannot be levied except on an excess of price.

Yet, as if confusion were to meet no end, the slender pittance of profit which has been admitted to be no longer capable of taxation, is made liable to the operation of the Property Tax, and subject to a deduction of 10 per cent.!

And now the force of the question, which at the beginning of this letter I put hypothetically to the Minister, may be fully understood; but the same answer will not serve. Are the colonies to be taxed on principles of trade, or those of commerce? Is the 27s. duty, a tax on the planter, or on the consumer? If on the consumer, provide for the planter the means of enforcing the repayment. If on the planter, why is he taxed more highly than other British subjects? and why is 10 per cent. Income Tax levied on him, who already pays an assessment equal to his whole income, as his direct contribution to the State? —I am contending here for principles, and I throw aside abundance of minor grievances which their

dereliction has produced, that I may proceed to the second general head of West India intercourse—the export of British merc'andize. This export forms, perhaps, the most important feature to the mother country of her connexion with the colonies.

The islands have no manufactures; all the implements, machinery, and utensils; all the clothing; all the hardware; much of the fresh and salt provisions; every thing used on the estates or on the persons of the inhabitants, comes from England; except in cases in which she is either unable or unwilling to supply it. The exports from Britain may, therefore, be justly termed implements used in the manufacture of West India produce; and the policy of Great Britain, as well as consistency of operation, would lead her to facilitate and encourage this export. Yet the fact is otherwise; real and frivolous difficulties are thrown in the way of a trade which the mother country has the greatest interest to encourage.

Many articles of first necessity to the estates, can only be sent under special licence from the Navy Board; and of course at an additional expence. A coil of rope for mule harness, a roll of sail cloth for the windmill, a sheet of copper to mend his still, a bar of iron for horse-shoes, a tarpawling to cover his stores from the rain, are objects of importance to the planter, but for permission to export which, the consent of the Navy Board must be obtained. Several ships were actually seized in the last autumn, and some compelled to unload their cargoes, because a

few bars of iron had been put on board *with the knowledge of the officer*; and their release was only the result of special application to, and an investigation of the circumstances by, the Treasury. The export of flour, of barley, of beans, and oats, is limited by Act of Parliament to an hundredth part of an adequate supply; though oats, at least, are constantly imported, and are a mere article of commerce. Provisions, therefore, must be obtained from America, yet is the colonist prohibited from paying for these provisions in sugar; and if the American wants not rum, the negroes may starve. Nor are shipments made to the West Indies as those coastwise, to Newcastle, Edinburgh, or Bristol. They are subject to all the forms, intricacies, vexations, and expences of revenue laws and revenue officers.

But after all these difficulties, expences, and embarrassments are removed, comes a tax of 4 per cent. on their value. I will not pretend to circumscribe the taxation of our own commodities on export by any principle: the tax is called a convoy duty; which name is assumed, I imagine, to justify doubling the rate of tax to the West Indian, because he crosses the Atlantic. Goods in a ship, without convoy, equally pay it as in one who avails herself of its protection; nor are more, or stronger convoys appointed now than before the tax was laid.—Its application to the West India planter is doubtless made in furtherance of the principle, that he is a foreigner carrying on commerce, and is to be repaid by the consumer. But is not this tax grossly partial? Does

it, in any other single instance, bear in the same way on an English subject? Does any other man, except the planter, export commodities for use, and not for sale, beyond the extent of personal consumption?— The truth probably is, that the case of the West India planter was not noticed when the Act passed. The tax was intended to operate on foreigners, who come here to buy what they cannot get elsewhere; but its distinctions being geographical, juxtaposition is the only ground of exemption; the American citizen and British West Indian pay alike, because their lot is cast in the same quarter of the globe. Every thing confirms the inference that, in the eye of the revenue laws, the West Indian is a foreigner trading to Great Britain. On what ground, then, are his supposed profits made the criterion of increased duty, or his real income rendered liable to the tax on property?

It will hardly be doubted, after these explanations, that the only basis of West India taxation has been the wants of Great Britain, and that it is needless to look for any other principle. It may be more useful to compare the situation of a landholder in the colonies, with that of a landholder in Great Britain.

We will suppose them both resident in England. They are equally liable to the tax on property, in proportion to the net produce of their estates; the evidence adduced by the one, being the rent he receives; and by the other, the result of a stated account, very fluctuating in its amount, and therefore

vexations in explanation. Exclusive of this, the English landholder pays the land-tax, amounting, on the average of the kingdom, to 1s. in the pound, or 5 per cent. on the *net* produce; the old colonist pays $4\frac{1}{2}$ per cent. duty to the Crown on his *gross* produce, being equal to 10 per cent. on the net. Against the poor's rate, county rates, and statute duty, supposing them ultimately paid by the landlord, and not by the consumer, the planter sets the colonial taxes and rates, the same in kind, and greater in proportion; he pays the expences of the county of St. Kitts, Antigua, or Jamaica, as the English estate does those of Kent, of Essex, or of Surry; and moreover, maintains his own superannuated labourers, which is a heavier tax than the poor's rate in England. He also pays the expence of a Militia force, and that of the administration of justice in the colonies, which are at home a national concern, to which he also contributes. All personal and sump-
 tuary taxes—taxes of every description, which do not directly attach on the soil, are obviously paid equally, in proportion to his expenditure, by every resident in Great Britain, whether his income be derived from Yorkshire or from Jamaica. Hitherto the balance inclines in favour of the West Indian, in point of contribution to the State; but what will the country gentleman set in the scale against 27s. per cwt. on sugar sent to market, and 4 per cent. duty on a large portion of the expences in producing it? Can he set 27s. per quarter on his wheat at Bear Quay, and 4 per cent. on the expences of the farmer in growing

it? Will the tax on agricultural horses amount to this, or to any thing approaching it? Unless he can do this, he is deficient to this amount in the comparison; such a tax on his produce would equal, or exceed the rent of his estate, which is precisely the case with the planter. But the answer has invariably been--the consumer pays it! Let the landholder try the experiment. A tax on the produce of the soil of Great Britain, equal in proportion to the tax on the produce of the islands, would amount to more than all the annual taxes at present imposed in Great Britain; and I have shewn that English property is better circumstanced than that of the West Indian (though not well calculated), to enforce the repayment. He will thence also have an opportunity of judging whether any further *inconvenience* attaches to the payment of a fine on the sale of his produce, exceeding its net value, in expectation of reimbursement.

So much, however, depends on the proof that, from whatever cause, the grower of sugar has not, in fact, been able to avail himself of the importer's advantages to enforce repayment of the duty, and charges on his commodity, that I will risk being tedious, rather than inconclusive.

It is apparent that the rent of land in Great Britain has followed, to a considerable extent, the depreciation of money, the increase of taxes, and the consequent increased expences of living. I say it is apparent; because, without recurring to particular cases within every one's observation, it is obvious

that, had not this effect followed, the depreciation of money consequent upon the increase of the national debt and taxes, in the American and French wars, would have swept from society every family of rank and ancestry in Great Britain, in the same manner as we see those who have depended solely on the interest of money or the public funds, daily sinking on the scale of relative income, and vanishing from the circles which they formerly adorned.

Can it be shewn that any similar advantage has favoured West India estates?—Will it be assumed that this species of property has improved with the times?—If it be so, then may it be assumed, that the consumer has repaid the increased taxes and expences. But if, since the beginning of the French war, the tax on sugar has been increased from 12s. 4d. per Cwt. to 27s. and conditionally to 30s. ; if, during this period, the produce of estates has, on an average of years, diminished in proportion as the expences have increased ; then is it as obvious that the planter, and not the consumer, has paid the increased charges. And it is but a natural consequence that he too, like the stockholder and annuitant, should have seceded from the society in which he was formerly conspicuous. I think I need not go about to prove that this secession has pretty generally taken place.

It will be said, has not the class of country gentlemen of £500 per annum, before the American war, also disappeared?—Doubtless it has. The possessor of £500 per annum cannot now, as forty years ago,

maintain the rank of a country gentleman; but though the *class* has disappeared, the individuals have not: if you would find them or their children, you must look for them in the class of £1000 per annum; for in this proportion have their estates improved. Unfortunately for the West Indian, his means have not equally improved with the times, as the following documents will sufficiently prove.

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TABLE,

Shewing the Duty, Sale Charges, and Price of Sugar, from 1791 to 1806.

Year.	Duty.	Freight & Sale charg.	Total Salecharg.	Gross Sale Price.	Net Price per Cwt.
1791.....	12 4 ..	8 6 ..	20 10 ..	67 4 ..	46 6
1792.....	12 4 ..	8 6 ..	20 10 ..	69 4 ..	48 6
War.					
1793.....	12 4 ..	12 0 ..	24 4 ..	70 4 ..	46 0
1794.....	15 0 ..	12 0 ..	27 0 ..	54 0 ..	27 0
1795.....	15 0 ..	12 6 ..	27 6 ..	77 5 ..	49 11
1796.....	15 0 ..	12 6 ..	27 6 ..	77 0 ..	49 6
Average of } 6 years. }					
	13 8	11 0	24 8	69 2	44 6
1797.....	17 6 ..	13 0 ..	30 6 ..	81 6 ..	51 0
1798.....	19 4 ..	13 0 ..	32 4 ..	86 0 ..	53 8
1799.....	20 0 ..	13 6 ..	33 6 ..	75 0 ..	41 6
1800.....	20 0 ..	13 6 ..	33 6 ..	74 0 ..	40 6
1801.....					
1801.....	20 0 ..	14 0 ..	34 0 ..	64 0 ..	30 0
1802.....	20 0 ..	14 0 ..	34 0 ..	54 5 ..	20 5
War.					
1803.....	24 0 ..	*10 0 ..	34 0 ..	67 0 ..	33 0
1804.....	26 6 ..	14 0 ..	40 6 ..	80 0 ..	39 6
1805.....	27 0 ..	14 6 ..	41 6 ..	76 0 ..	34 6
1806.....	27 0 ..	15 0 ..	42 0 ..	68 0 ..	26 0
Average of } 6 years. }					
	24 1	13 7	37 8	68 3	50 7

* Peace Freight.

From this Table the following results are clearly deducible :—

1st. That the price of the commodity has no progressive reference to, and therefore is not founded on, the expences of bringing it to market.

2nd. That the increase of duty and sale charges in the second period, beyond the amount in the first, is 13s. per Cwt.

3rd. That in the first period, the average net price to the planter was44s. 6d. per Cwt. and in the latter30s. 7d.

making a difference of13s. 11d. against the planter in the latter period.

Or, to state the same fact another way, his charges in the latter period have increased 13s.

the gross price in the for-

mer period was69s. 2d.

in the latter68s. 3d.

Difference against the planter in

gross price 0s. 11d.

Total as before ————13s. 11d.

It further appears that the average net price of sugar, in the former period, was 44s. 6d., after deduction of the duty and *charges of sale*. The evidence adduced to the Committee of the House of Commons now sitting, proves, I understand, that the charges of manufacture (namely, the cost of stores from Europe, and bills drawn from the colonies, for the island expences beyond the proceeds of the rum) amount to

21s. per Cwt. (my own calculations for St. Kitts would give an average of 25s.). A deduction of 21s. from the net price of the first six years, would leave 23s. 6d. per Cwt., or per hogshead of 13 Cwt. .. £15 5 6

And one hundred such hogsheads would have produced, as the planter's real income 1527 10 0

In the last period of six years the net price having been 30s. 7d., the deduction of 21s. leaves 9s. 7d. per Cwt., or per hogshead £6 4s. 7d.

And 100 net hogsheads now produce .. 622 18 4

Reduction of income on 100 hogsheads in the last period, taking the charges of manufacture at the same rate in both periods..... £904 11 8

Supposing, therefore, an estate in the West Indies to have been purchased between the years 1791 and 1796, on the then average net produce, valued at twelve years' purchase, the cost would have been £18,324. And the average return on such purchase, for the last six years, would be under $3\frac{1}{4}$ per cent. on the money laid out; no allowance being made for hurricane, invasion, or other casualty, to which, however, West India estates are proverbially liable.

The result would have been still more in favour of the argument, had I included the years 1797 and 1798 in the first period, and 1799 and 1800 in the

last; but I preferred limiting the first period to 1796, because, during the six years preceding, the increase of duty was not very material, and it was also desirable to draw the comparison from periods with some intervening interval.

This Table, extracted from Sir W. Young's Common-place Book, had not attracted my notice, nor were the calculations made, when, in my former letter, I hazarded an opinion that West India estates do not on an average, for a series of years, produce 4 per cent. on the capital invested. That opinion was founded on more general reasoning; but the result of the calculation proves that it was not inaccurately formed.

The fact, incontestibly proved by this document, that West India estates have produced, during the last six years, less than half what they did from 1791 to 1796, is alone sufficient evidence that something is radically wrong in the system of their administration. But it was necessary not only to prove the fact, but to account for its existence; and it is accounted for when it is shewn, as I trust it has been satisfactorily, that the grower of sugar has not, even in theory, the power of throwing the increased taxes, &c. on the consumer, and that in practice he has paid them himself.

But it may be said, the planter, you allow, makes 3 to 4 per cent. interest of his money. What ought he to make?—I allow, as the result of the preceding calculation, that the growers of sugar have obtained for the last six years, a return of 3 to 4 per cent. on

capital invested ten years preceding. Supposing, therefore, that 4 per cent. was a just recompence then, I may assume that it ought to be augmented, and augmenting, now, as is the case with all other property; and, if this reasoning be just, it will follow that whatever may be found to have been a just return for capital invested in 1794, that return ought to be taken at a higher rate now, to enable the proprietor to maintain the same rank in society.

It has been assumed, in the comparison, that the West India property was acquired at twelve years purchase, on the net profit for six years.—Was this price, in the eye of the objector, too much or too little?—If it were too much, then is $8\frac{1}{3}$ per cent. too little average return from a West India estate, by his own admission. If the price were too little, then is the invested capital to be considered greater than I have taken it, and the profit of the last six years is proportionably reduced below $3\frac{1}{2}$ per cent.—The truth is, that twelve years purchase is rather more than less, than the usual value; but supposing the purchase to have been made on these terms, it produced thirteen years ago, on average, $8\frac{1}{3}$ per cent.; and an equal increase to the average of English estates, in the same period, would bring the reasonable return of capital invested in the West Indies, from ten to fifteen years ago, to 10 per cent. Nor is this return too great.

The grower of sugar is both landlord and tenant, agriculturist and manufacturer. Perhaps the joint profits of the two first descriptions of men in this

country, would be equal, or nearly so, to the return I claim for the West Indian; but when it is considered also, that he is engaged in a very precarious manufacture, under most unfavourable circumstances—that his property has none of the real or imaginary advantages of landed estates in Great Britain, I may fairly assume that I have been moderate in preferring his claims.

But I forbear to insist more on the situation of the colonists. If doubt be yet entertained of the necessity of relief, it will shortly make itself sufficiently apparent to command assent. It will be more useful to consider of what nature this relief should be.

I will first state the objects to be attained, and then discuss the mode of attainment.

The claims of the planter amount to this:—

- A demand for his produce equal to the supply;
- Or, an abandonment of the monopoly by Great Britain, and liberty to seek his market where he can best find it;
- Or, finally, a repeal of the duty on his gross produce; and a recurrence to principles of taxation similar to those which govern the taxation of land, and its first produce, in Great Britain.

Neither of the latter alternatives are agreeable ones, I allow; but one of them, I will undertake to say, will be the effect of failure in establishing the former: for, as it is very well observed by Mercator, in Mr. Yorke's Register, Government and the planter cannot long carry on trade, on the present terms of partnership.

A demand equal to the supply, is all in all to the planter—it is all he asks, and all he wants: give him the command of the market to the extent that the importer of foreign commodities possesses it, and you may then tax his produce on the principles of commerce; but till this demand is produced, he requires from the justice of the mother country, an abandonment of the monopoly, or a repeal of the duty.

Having hitherto treated the subject *generally*, it may be satisfactory, before I proceed further, to ascertain the precise extent of the evil, for which a remedy is in the present instance to be provided.

The quantity of sugar in Great Britain, in the hands of the importers, is stated on good authority at150,000 hhds.
The fleets daily expected, will bring perhaps from 10 to 20,000 more; suppose only*10,000

The total quantity to be consumed, therefore, prior to the arrival of the next crop, is.....160,000 hhds.

The consumption of Great Britain and Ireland appears, by returns to the House of Commons, to be, on an average of years, 151,000, say 150,000 hogsheads.—Of this consumption let it be sup-

* This quantity has been exceeded in one fleet from the Leeward Islands, since the first edition of this Letter, and a fleet from Jamaica is daily expected.

posed that six months now remain until the arrival of the new crop in July next, or 75,000 hogsheads; this deducted from the stock in hand, would leave 85,000 hogsheads of sugar, which cannot be taken off by the ordinary consumption of the country.

In the present circumstances, little relief can be found from exportation:—1st. Because the rigour of French law prohibits the introduction from Stettin to Trieste, of every article of English produce.—2nd. Because, what is more important, the Continent is more cheaply supplied by the Americans, from the French and other colonies, than the British planter can, with the increased war expences, now supply it.—3rd. Because the season precludes navigation to the northern ports until the return of spring—a period *too remote* to be of much service in the present difficulty.

The mode of creating a demand at home is, therefore, the first question to be discussed. I endeavoured to shew, in a former part of this Letter, that the level, or equilibrium, between supply and demand cannot be produced, even prospectively, by lessening the supply; it must therefore be effected by increasing the consumption to the amount of the present supply, and discouraging a further augmentation.

An opportunity seems at this moment to be offered on terms of public advantage, as well as private benefit to the colonies. It will be obvious that I allude to the use of sugar in breweries and distilleries. The benefit to the planter is sufficiently

obvious, and needs no laboured discussion. It is more necessary to shew why I consider the public advantage as, at this moment, particularly comprehended in the question. Great Britain is placed in a new and unforeseen situation. To say she is blockaded, whilst her navies rule the seas, is ridiculous; but it is by no means absurd to anticipate her total separation from the Continent of Europe: this circumstance, which cuts off her exports, cuts off her imports also, not only because the enemy has the power of blockading his own ports, but for another reason, which is not so commonly noticed—she cannot pay if she does not receive. The enemy would perhaps wink at exports from his own ports to this country whilst paid for in specie; but this is a trade which it is neither politic nor possible for this nation long to carry on. If therefore our exports are wholly checked, our imports are as completely stopped, as if the ports of the Continent were hermetically sealed.

Now it appears, from the returns made to the House of Commons, that for the last 10 years, Great Britain has not grown grain enough for her own consumption; and that, exclusive of years of particular scarcity, the average importation may be taken at 800,000 quarters.* The particular importations of 1803 and 1805 were as follow:

	Barley, Qrs.	Oats, Qrs.	Wheat, Qrs.	Flour, Cwt.
1803.....	14,027	485,715	272,223	355,047
1805.....	44,567	461,249	899,856	78,423

* The importation of the year 1801, exceeded two millions quarters; but that was a year of scarcity

Much of this it will be seen is oats, which is not in England, at least not in the south, the food of man: but if oats grow dearer in proportion than wheat or barley, the cultivation of oats will increase, and that of other corn diminish. The cost of this importation has hitherto been provided for by the produce of sugar exported. This resource fails; but if we can substitute the sugar we have for the corn we want, there ends, it should seem, Bonaparte's best hope of subduing the spirit of Britain. The remedy for both evils seems so obvious, that to a person unacquainted with the subject, it should seem only necessary to state, that sugar will answer the purpose both of distillers and brewers; that it is not a new experiment, and only requires financial regulations in the Excise department to secure the revenue.—What then, he would ask, is the difficulty? One objection arises on the part of the landholder in Great Britain, who is apprehensive of a depreciation in the price of his grain, if this consumption be withdrawn; and another on the part of the revenue of Excise.

The answer to the objection of the landholder (in itself a very rational one), is however complete. Whilst the ports of the Continent are shut, there must be in the market a deficiency of grain to the amount of the annual importation. A succedaneum for this importation, not exceeding its average amount, the farmer cannot feel. Sugar can only be used as this succedaneum, without loss to the distiller and brewer, whilst the price is low: the moment an

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export trade is opened, the price will rise; and till such trade is opened, grain cannot be imported.

The interest of the English farmer is therefore sufficiently guarded by the circumstances themselves. But if the landholder still thinks he shall want a market—if he still thinks he shall have grain to spare—if he is confident in his resources, let him assume the supply of the West Indies. Let him obtain from Parliament a repeal of the Act restricting the export of grain to the colonies; and frequent convoys alone are necessary to secure to him a market for 200,000 quarters of grain, now obtained from America in flour; in return, the planter should remit his rum, to be consumed in the navy of Great Britain, instead of foreign brandy, which, strange to tell, is still, in this war of commerce, contracted for to an enormous amount. This intercourse would indeed be a reciprocation of benefits; the planter's sugar would be consumed, a market secured to the farmer for any surplus corn he may have; the money sent annually to our enemies for brandy saved to the nation; an additional quantity of British shipping employed, in proportion to the quantity of corn sent out, and rum brought home; and, above all perhaps in importance, a community of interest created between the mother country and the colonies, the value of which is, at this moment especially, without bounds. But if the landholder be not thus confident, if he dare not undertake this supply, he can have no fears of the effect of withdrawing corn from the distilleries, and partially from the porter breweries in Great Britain.

Let it be admitted for the moment, that the substitution of sugar for malt, is practicable without injury to the farmer, and let us contemplate its effects:—the planter, and all concerned with him, relieved during the remainder of the war, from the apprehension of ruin; the manufacturers and artizans of Great Britain paid for the past, and looking to certain employment for the future, for the colonies are their surest friends in time of war; the revenue relieved from the positive necessity of abandoning, at the least, one half of the present duty on sugar, and confidently anticipating the receipt of above two millions of duty for the sugar now on hand; the ship-owner relieved of an anxiety greater perhaps than all the rest—he is the carrier, and has brought to this country 150,000 hogsheads of sugar, now unsold, and on which his charge amounts, at the average freight of 9s. per cwt. to £900,000; and last, but not least in the consideration, there results an exulting triumph over the machinations of our enemy. Do you suppose he had not especially in view the privation of foreign grain, as the first object of his blockade? Look to the proclamation of the King of Holland; equal or greater restrictions are laid on the *sailing* of ships from the Dutch ports, than on the entry. Yet our imports from Holland are chiefly corn and provisions, as they are equally from the ports in the Baltic, of which the enemy has acquired possession. Let us now reverse the picture; let us suppose the Government insensible of the advantages and the dignity of wrapping Great Britain and her colonies at this moment in the same cloak,

and making them all in all to each other; let us suppose the proposition rejected.

The first consequence will be, that, as the sugar cannot be converted into money, those who depend on its produce for support and payment, must feel all the poignancy of distress. No commiseration or good-will can enable the merchants or factors to advance a sum of nearly four millions, urgently demanded from the produce of the sugar on hand, exclusive of the duty to Government, amounting to about $2\frac{1}{2}$ millions more. Like the boat's crew which escapes from the wreck, and, returning, adds to its load, till all sink together, the merchants may easily sink themselves by imprudently adding to the load they bear; but they cannot, by any personal sacrifices, save those who require assistance. This sum of four millions, the supposed value of 150,000 hogsheads, or 2,000,000 Cwt. at 40s. per Cwt. ex Duty (which exceeds the present average), ought to be distributed in the following proportions:—

To the ship-owners, at 9s. per cwt.....	£900,000
To the British manufacturers for value of stores sent out, estimated at 12s. per cwt.....	1,200,000
To the same, as the bill-holder, for bills drawn from the West Indies, on an average 9s. per cwt.....	900,000
To the insurer.....2s. 0d. }	5s. 8d. 580,000
Dock and port charges, 0s. 10d. }	
Merchant, broker, &c. 2s. 10d. }	
	<hr/> 3,880,000
Balance to the planter.....	120,000
	<hr/> 4,000,000

Consider the ramifications through which these sums respectively circulate; contemplate the banks of the Thames, and of every other navigable river in Great Britain, and estimate the proportion of £900,000 due to each dock-yard, rope-walk, sail-loft, ship-chandler; contemplate the misery to accrue from the non-fulfilment to these, of engagements on which they rely, for the daily wages of those employed in them respectively; consider the minute distribution of £2,100,000 amongst the manufacturers of Great Britain. The plantation stores are of a description abundantly too minute for enumeration; but the supply is by no means confined to wealthy and wholesale dealers; scarcely a shop in the metropolis that has not an interest in the question: the underwriter, the merchant, the broker, must disappoint where they are disappointed; and a season of cruel disappointment will the present season be. Annuities, jointures, and interest of debts are to be provided for from the pittance remaining to the planter, from whence his family is also to be supported. If those to whom this interest is due, cannot be paid, they too must fail in their engagements; and such false steps are not so easily recovered as avoided.

But there is an objection to the use of sugar, in the breweries at least, from another quarter—I mean the Revenue Boards.—Difficulties occur in checking the proportions of malt and sugar, of equalizing the duties, &c. &c. With this I concern myself not. Important as revenue is, it is surely second to trade.

Revenue is to commerce, what Government is to the people : so long as their interests can be made to go hand in hand, it is well ; but when these become incompatible, I leave you to determine who is to give way.—I must not be told that the necessity of relief to the colonies is admitted ; but that it cannot be granted, because it interferes with the convenient collection of the revenue. Does the excise officer imagine the ruin of the colonies may not, in some degree, affect the revenue also ?

But I should hope the objections of the Board of Excise are not irremovable. The revenue from malt is collected in two different stages : one, when the barley is malted—this is 34s. 8d. per quarter ; the other on the wash, when used for distillation, or on the beer when brewed. Supposing $1\frac{1}{4}$ Cwt. of sugar to be equal to one quarter of malt (and as this quantity is the medium between opposite statements, it is probably not wide of the truth), the duty on sugar, at 27s. per Cwt. will be 33s. 9d.—a difference of no great importance in the question. The principal difficulty arises in collecting the duty on the beer in the brewery. No great objection occurs to the use of sugar in the distilleries, where, at present, nearly two-thirds of the barley is used raw.

I admit there is difficulty : the solution of sugar in water, is an operation so much more rapid than the decoction of malt, its fermentation is so quickly produced, and its residuum, if it can be said to be any thing, is so trifling in comparison with grains, that the exciseman loses many of his present checks, and

must of necessity, it is stated, be perpetually present to witness the proceedings. Moreover, it is apprehended that molasses may be used instead of sugar: either imported molasses, on which the duty is small compared with that on sugar; or molasses produced in the British refinery, which, though it may be said to have paid the sugar duty, finds at present a consumption in the north of England, without any drawback or bounty. Its consumption, in the place of sugar or malt, would therefore be a loss of the duty thereon respectively.

I assume not the competency to remedy these inconveniences; the worst that can happen, seems to be the constant attendance of an exciseman at each considerable brewery. In the distilleries, regulations of duty would be requisite to induce the use of sugar in preference to grain. Two hundred weight of sugar produces a quantity of spirit equal to seven bushels of barley and three bushels of malt. But two hundred weight of sugar, at the lowest price, would cost 100s. to 105s.: seven bushels of barley, at 4s. 6d., would cost 31s. 6d.; three bushels of malt, at 11s.—33s.; together.....64s. 6d.
Balance against the sugar.....40s. 6d.

105s. 0d.

But 2 Cwt. of sugar has paid a duty of54s.
The 3 bushels of malt, only.....13s.

Difference 41s.

From whence, therefore, a drawback on sugar may

be allowed to the distiller, adequate to the difference of price.—At present, also, a higher duty is taken on sugar-wash, namely, 2s. 0 $\frac{1}{4}$ d. per gallon, than on corn-wash, which is 16 $\frac{1}{4}$ d. per gallon; the reduction of this duty to an equivalent standard, would of course experience no difficulty, if directed by proper authority. But a doubt arises in my mind, from this statement of the relative powers of sugar and grain in the distilleries, which is sanctioned by high authority, as compared with their respective effects in the brewery.

It appears that 2 Cwt. of sugar are required to replace 10 bushels of grain in the manufacture of spirits; yet it has been asserted that 1 Cwt. of sugar will replace 8 bushels of malt in the brewery, though hitherto 1 $\frac{1}{2}$ Cwt. of sugar has been considered as the substitute for that quantity. I am not aware that the brewer omits to turn his malt to the best account, or that he leaves much spirit or saccharum in the grains when he turns them out; and I cannot imagine, therefore, how it happens that 8 bushels of malt do him no more service than 1 Cwt. of sugar, whilst 10 bushels of grain do, to the distiller, the service of 2 Cwt.—If the fact be as it is stated, I am confident the distiller may use the brewer's grains to much advantage; though I never could find that even pigs derived much nourishment from them.—The arithmetical proportion of sugar against a quarter of malt in the breweries, proceeding on the distiller's calculation, is 1 Cwt. 2 qrs. 11 lb.; and this agrees so nearly with all statements on former occa-

sions, that I am not yet disposed to believe them incorrect.—The interest of the revenue in the question before us, hinges in a great measure upon this point. If the Revenue Boards collect their opinions on this subject from their inferior officers, it is just possible they may be deceived.

These officers are, perhaps, in the habit of checking, in some degree, the quantity of beer brewed, by the quantity of grains turned out. The higher this proportion of grains is taken, the less beer to be taxed; and if the officer chuses to deceive himself, the brewer may not take the trouble to undeceive him, the rather as grains form quite as convenient a standard for the brewer as he can desire; for, if I mistake not, prime malt absolutely melts, dissolves, and leaves little or no residuum.

The quantity of beer of a given strength, which can be brewed with 1 Cwt of sugar, has, I presume, been correctly ascertained by actual experiment; and it is only necessary to ascertain what quantity of malt is commonly used to brew the same quantity. If this quantity be assumed on general or supposed data, it may, for the reasons I have before stated, be erroneously given. And I am further inclined to think it is so; because the saving to the brewer by the use of sugar, if 1 Cwt. would represent 1 quarter of malt, would seldom, in the last six years, have been less than 10s., and often as high as 20s. and upwards, on that quantity: he might at present buy good sugar for his purpose at 52s., and will certainly get no good malt under 88s. Yet the brewer does

not buy sugar ; which is sufficient evidence to me that the quantity he requires, is greater than is now stated.—It cannot be answered, that though it has been his interest to use sugar, he *could* not do it without detection, or he *would* not do it to defraud the revenue ; because either of these answers would go the length of defeating the objections now made on behalf of the Excise to the introduction of sugar.

Assuming, therefore, that the brewer has not been in the practice of clandestinely using sugar, the objector is in this dilemma : either it was his interest, but the check has proved sufficient to prevent the clandestine use ; or it was not his interest, and the equivalent of sugar is set too low. In the first case, the difficulties in protecting the revenue disappear ; in the second, its interest is not put in hazard, as $1\frac{1}{2}$ Cwt of sugar pays 40s. 6d. duty, whilst 1 quarter of malt pays 34s. 8d.

In the event, however, of the rejection of this only mode which occurs to me, of creating a demand for the sugar on hand, there remain yet two alternatives for its consideration:—First, An abandonment of the monopoly.

I care not in what mode, or under what limitations this be granted, so the practical advantage I have in view, be derived from it—viz. the licence to send the produce, in neutral ships, to any ports where it can find a market ; and especially I have in view the intercourse between the British Islands and the Continent of Europe in American bottoms, exactly in the same way in which it now subsists between the

French colonies and France. The interruption of this last intercourse would probably alone answer all the purpose ; but as, notwithstanding the strong case made out by the author of " War in Disguise," the British Government has not chosen to avail *itself of the fortunate opportunity of going to war with America*—of doing that now, which, sooner or later, must be done—and of convincing America that Great Britain, though she has conceded much, will not concede every thing, I have not considered this as a resource.—The mere proposal of throwing open the colonial trade, and in neutral bottoms too, will expose me, I know, to the disapprobation of various descriptions of men—of statesmen, financiers, ship-owners, and revenue officers ; even Sir Josiah Child will tell me that the value of colonies to the mother country is only in proportion to the strictness of the monopoly. All this I know as well as he ; but the " value of a thing is just what it will bring."—Sugar, as sugar, will benefit neither the statesman, the revenue, nor the ship-owner ; if it cannot be converted into money, *cui bono* ?—if it will bring nothing, it is worth nothing. Is the sugar of any use to the revenue whilst in the docks ?—Is its transportation any benefit to the ship-owner, unless he is *paid* for the carriage of it ?—Does he expect to be paid the freight for the sugars he may bring home in the ships now gone out to the colonies ?—He knows something of West India concerns ; and he knows, also, that I possess a still more intimate acquaintance with them on this side of the Atlantic ; and he

will not perhaps disbelieve me when I tell him, that if consumption be not found for the 85,000 hogsheads of sugar in question, he will not, when his ships arrive in July next, be able to collect one-twentieth part of the freight which will be due to him.

It is easy to raise an outcry on the importance of the Navigation Laws to the prosperity of Great Britain; but it is ridiculous to adhere to the letter, and abandon the spirit. If Great Britain suffer intercourse between France and her colonies by neutrals in time of war, and defeat the object of her own maritime superiority, for what purpose is this superiority acquired? Is it not madness to continue a restriction on her own colonies, which exposes them to all the expences and inconveniences of war, whilst those of the enemy transport their produce with the advantages of peace? But if it be not madness, is it not injustice? Why is that portion of his Majesty's subjects, whose possessions are in the colonies, exclusively to pay the price of maintaining a nursery for the British navy, and of promoting the shipping interest of Great Britain? If these be, as doubtless they are, objects of great national importance, let them not be abandoned whilst they can be maintained, but let the West Indian pay no more than his just contribution to this common benefit: do his business for him as well and as cheap as others will do it, or indemnify him for the loss his own interest sustains in furtherance of the public good.

The last alternative which I have to propose, is

one, which will not fully answer the planter's purpose, but it is the least the nation can offer.—“ In taxing your produce, on commercial principles, we have assumed that you had in your hands all the advantages of commerce : we find you have them not, and we abandon the taxation. This will not create demand, nor get you out of the embarrassment into which our errors have led you ; but, as it respects the future, it discharges us of responsibility. Whether your speculations are profitable or not, concerns not us ; we are not instrumental in directly augmenting the cost of your produce, and we leave you, as we do the English grower, to take care of yourself.”— This is the least the country can say to the planter ; but it is more than would be true, since it does not leave the planter free to take care of himself, whilst he is under a monopoly. Which of these alternatives Government will be pleased to recommend, I know not : the first strongly recommends itself ; the others will, I doubt, find no patron but necessity.

In discussing the causes of the rapid and progressive depreciation of West India property, I have confined myself to those which are most prominent, and most easily understood ; but abundance of minor considerations offer, had I time to follow them. If the colonies sink under oppression, they at the same time waste through neglect. In what state of defence are they at all times left ?—Would the miseries and devastation which desolated Grenada and St. Vincent in the late war, have taken place, had the slightest attention been paid to their safety—

had not their already insufficient garrisons been removed for purposes of conquest?—Would Nevis and St. Kitts have been laid under contribution, their ships taken, and their property ransomed—would the Antigua fleet have been burnt in 1805, had there been a British squadron on the station? Would the ships in the harbour of Montserrat have been carried off, and the Leeward Island Government been again thrown into confusion at witnessing the undisputed superiority of the French flag in the West Indian seas in 1806; and an attack on the ships under the guns of Brimstone-hill; had a squadron been stationed in the colonies? If the mischief, arising from this neglect, were only want of confidence, it would be incalculable; but the positive loss by delay, by increased expences of insurance, waste, and uncertainty, is enormous.

In the present year, the evil we now complain of originates, in great measure, with the late arrival of the convoys, by which the foreign market was lost; and this delay was occasioned by the incompetency of the Admirals on the stations to detach ships to protect the trade.

It has always occurred to me to ask, why the principal squadron is stationed to leeward at Jamaica, instead of being to windward, at Barbadoes, Trinadada, or Antigua?

An enemy's squadron must necessarily pass through the Windward Islands or Leeward Islands to go down to St. Domingo or Jamaica, and it is easy to follow, if not to intercept them; but though intelligence may

be received in Jamaica of the destruction or capture of islands to windward, in three days, a squadron at Jamaica can afford no assistance in three weeks, and *beating* up is a tardy remedy.

Witnessing, as we all have done, the hurry and indecision in our naval operations, consequent on the sailing of five or six ships of the line from France; the occupation which Villaumez afforded in the last year to twelve or fifteen ships of the British line, at the least (a sufficient acknowledgment that his destination was unknown); it is impossible not to express surprise that a squadron of five or six sail of the line is not at all times kept together in the Windward Colonies. There is no point equally vulnerable; there is no one where a priority of arrival of a week, a fortnight, or a month, leads to the same consequences. Can the East Indies be taken by a fleet? Are not the ships in that trade few, large, and in comparatively safe harbours? Can the Cape, Gibraltar, or Malta be taken by surprise? Does the maritime superiority of France for a month, in the East, or in the Mediterranean, lead to consequences similar to those which result from such a superiority in the Charibbean Archipelago? Surely it is obvious that a French squadron can only sail for the West Indies or the Mauritius, and the probabilities are ten to one in favour of the former. Yet would I not permanently station men of war, as now practised, in what is deemed an unhealthy climate. Why should they not be constantly changed by ships of force accompanying and protecting our outward and returning

fleets? In proportion as these were numerous, the accommodation would to all parties be greater. This would effectually protect and give confidence to the colonies, and tend to render difficult the ascertainment by the enemy, of the existing force.

In answer to much of what I have said respecting the defence of the colonies, it will perhaps be asked, has not a ruinous expence been already incurred in the colonies, especially in the last war? Most undoubtedly, ruinous to the nation, and still more ruinous to the British planter. The expence was, however, incurred, not in promoting the interests of the old, but in grasping at new colonies; in St. Domingo, at Martinique, in expeditions against Trinidad, St. Lucia, Surinam, Demerara, Berbice, and Essequibo; not to mention the well-concerted achievement at Porto Rico. Our tenderness for our enemies induced us to grasp at all these; to cherish such of them as we could obtain possession of, to foster, to nourish them, and at peace to restore them to their former owners. This were well: but I should like to see it done in some mode not affecting either the pocket or the popularity of the old colonist.

One word more, and I will conclude this Letter, though abundance of matter suggests itself, as I proceed, worthy; I think, of your attention. I wish you to consider, before it is offered, an expedient, which, I doubt not, will be suggested, and which, because it will give least trouble, will probably be preferred to more effectual remedies—I mean a loan of Exchequer Bills or money to the West India

planters and mortgagees. It is obvious that this expedient will not produce demand, or abate future expence; and unless in the expectation of short crops, and as enabling the importer to keep the sugar on hand till a demand arises for it, from a reduced supply, I see not what good it will operate. Yet may the necessities be so great as to catch at this, rather than nothing.—The determination must rest on the merits of the case made out; it is an objectionable measure, and should not, if avoidable, be adopted. But in any event a loan, if made, should be made on different conditions from those prescribed by the Act of Parliament, under which the loan was made to the planters of Grenada and St. Vincent in the time of their distress. The objection I make, is to the nature of the security required by Government; it requires the personal security of others in aid of that given by the party borrowing; but its powers supersede, and take priority of, those of every other creditor—an extent attaches on property of all descriptions; and though I will not assume so much legal knowledge as to determine its operation on a prior mortgage of English property, I am certainly justified in stating that no man who gives a security to Government, either as principal or surety, for the repayment of a loan, under the terms of an Act of Parliament similar to that before alluded to, can make a valid title to any property he may possess. The inconvenience, and the injustice too, of this effect of an extent have been practically felt. If such a measure be again resorted to, I trust that either the

sugar, or the estates will be taken as the security ; in the former instance, the produce could not be taken, because the distress then arose from devastation, and there was no produce to pawn ;—now the evil is superabundance.

The possession of the property points out, at once, those who feel inconvenience from the want of a market. The assumption of this basis not only confines applications for relief strictly within the line of those who really suffer from this cause, but the admission of the property by assignment, as a security to the lender, assures to the proper objects of relief the means of obtaining it ; whereas the difficulties a distressed man must feel in procuring personal sureties, must increase of course in exact proportion to the extent of his distress. This is, however, under any modification, a temporary expedient ;—I have shewn that the evil is radical and permanent.

The present average produce of colonies in British possession, is 100 or 120,000 hogsheads beyond the home consumption ; a regular demand for this must be found. But the new colonies are capable of a still further increase, Trinidada especially. What is to be done here ?—Is she to be proscribed, and her cultivation no further permitted ?—That were hard measure dealt out to the capitulants. Yet she is virtually proscribed from the growth of sugar by the abolition, so far as she is concerned, of the African slave trade.—What must be done ? Her cultivation must be directed to another produce, to which her present population shall be competent ;

and I incline to suggest coffee, for use in Great Britain in lieu of tea.

This is a wide subject, and I am not going to discuss it. The idea is new to you, and numberless difficulties and objections arise; I attempt not at present to remove them; but remember, that Trinidada is the least, and China the most improved country in the world, in arts and manufactures.

I am, dear Sir,

Your's, &c.

Charles Bosanquet.

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SUPPLEMENT.

ON sending this Letter a second time to the press, I have attentively reperused the various communications which have been made to me, in consequence of its first publication; but as nothing arises out of any of them to invalidate my statements, or disprove my arguments, I have deemed it needless to make either additions or alterations.

The possibility of such a result to the grower of sugar, as is produced by my calculations, has been doubted. As an average result, I am fully satisfied of its correctness. Estates whose sugars are fine, and expences low, if such there be, will of course make more than average returns; but estates of a contrary description will fall below them.

In the interval of time which has occurred since the first publication of this Letter, the distress has increased, as I foresaw it would, to such a degree "as to command assent:" and we see Parliament

engaged in various, but I fear unavailing, measures to administer relief.

The additional bounty on double refined sugar is a wise and just measure, as it removes a positive bar to exportation when the demand occurs; but it has no tendency to *create* demand. This can only be effected by increased consumption; and it is a subject of regret that the distilleries and breweries, *which will ultimately be resorted to as a remedy, when the disorder is at the height*, are not timely resorted to, to prevent its increase.

It has lately occurred to me, that an additional argument to prove the inadequate return of a British West India property, might be drawn from a comparison of British with foreign West India returns.

It has been shewn that, during the last six years, the average net return to the British planter has been at the rate of £6 4s. 7d. per hogshead of 13 Cwt. or 100 such hogsheads £622 18 4

The accounts of an estate in the Danish Island of St. Croix now lie before me, in which the net profit to the owner, after all expences paid, is at the rate of £12 10s. per hogshead, or on 100 hogsheads 1250 0 0 which is exactly double the produce in Britain; and in fact this estate, being the property of an English gentleman, has paid Property Tax in Great Britain, at a rate rather exceeding this average per hogshead.

Should it be thought that these superior proceeds arise from the peculiar fineness of the sugar, or other favourable circumstances, I can only say, that if the fact be so, contact with Britain neutralises these advantages.—In 1799, St. Croix was taken by the English, and the produce sent to England. *Eighty* hogsheads were sold in London, and produced (without reference to expences of cultivation) £744 9s. 6d., or about £9 6s. 8d. per hogshead. *Forty* were reshipped to Copenhagen, where they produced £754 5s. 5d., or nearly £19 per hogshead; so that the proprietor lost 50 per cent. by the consignment of his produce to his own hands: for the difference of freight from St. Croix to Copenhagen, or from London to Copenhagen, was probably compensated by the extra insurance to Great Britain in time of war, the waste and expences incurred by delivery and reshipment in London.

I will add one case more, to prove depreciation. An estate in a British colony, settled by an ancestor of the present possessor in the reign of Charles II. was let, between the years 1750 and 1760, under circumstances not favourable to a high rent, at £2100 sterling. The estate has been many years in hand, and 27 acres of land have been added to it; it has been under good management, and is in every respect an advantageous property. I should not know how to fix a value upon it, under *present* circumstances; but I find that, two or three years since, a gentleman well qualified to judge of its

merits, and desirous to raise its value in the eyes of the proprietor, fixed on £1700 as the rent which might be obtained for it; so that in fifty years this estate has lessened in annual value £400!—What is the present rent of an English property, let in the year 1755 at 2000 guineas per annum—is it £4000 or 5000?

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